



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Auditor of State

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**NEWS RELEASE**

**FOR RELEASE**

**March 14, 2003**

**Contact: Andy Nielsen**  
**515/281-5515**

The Office of Auditor of State today released an audit report on the City of Red Oak, Iowa.

The City's receipts totaled \$6,493,412 for the year ended June 30, 2002, a three percent increase from 2001. The receipts included \$1,840,351 in property tax, \$502,888 in tax increment financing collections, \$657,459 from the state, \$277,313 from the federal government, \$450,141 in local option sales tax and \$191,470 in interest on investments.

Disbursements for the year totaled \$7,552,459, a one percent decrease from the prior year, and included \$2,164,825 for community protection, \$681,983 for human development, \$4,551,386 for home and community environment and \$154,265 for policy and administration.

A copy of the audit report is available for review in the office of the Auditor of State and in the City Clerk's Office.

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**CITY OF RED OAK**

**INDEPENDENT AUDITOR'S REPORTS**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**JUNE 30, 2002**

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**City of Red Oak**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>(Before January 2002)</b>		
Karen Blue	Mayor	Jan 2002
Mark Benda	Council Member	Jan 2002
Bill Billings	Council Member	(Resigned)
Joddey Hicks (Appointed)	Council Member	(Resigned)
Roger Waggener	Council Member	Jan 2004
Ivan Craig (appointed)	Council Member	Nov 2001
Chris Swanson	Council Member	Jan 2004
Ronald A. Crisp	Administrator/Clerk	(Resigned)
Brad Wright (appointed)	Administrator	Indefinite
Mary Bolton	Clerk	Indefinite
Stephen Hays	Treasurer	Indefinite
Tom Stamets	Attorney	Indefinite
<b>(After January 2002)</b>		
James A. Johnson	Mayor	Jan 2004
Roger Waggener	Council Member	Jan 2004
Ivan Craig	Council Member	Jan 2004
Chris Swanson	Council Member	Jan 2004
Terry Kammerer	Council Member	Jan 2006
Joddey Hicks	Council Member	Jan 2006
Brad Wright	Administrator	Indefinite
Mary Bolton	Clerk	Indefinite
Stephen Hays	Treasurer	Indefinite
Tom Stamets	Attorney	Indefinite

**City of Red Oak**



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**Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council:

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the City of Red Oak, Iowa, as of and for the year ended June 30, 2002. These financial statements are the responsibility of the City of Red Oak's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the results of the cash transactions of the funds of the City of Red Oak as of and for the year ended June 30, 2002, and its indebtedness at June 30, 2002, on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued our reports dated December 13, 2002 on our consideration of the City of Red Oak's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the aforementioned financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the aforementioned financial statements taken as a whole.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 13, 2002

**City of Red Oak**

## **Financial Statements**

City of Red Oak  
 Combined Statement of Cash Transactions  
 All Fund Types  
 Year ended June 30, 2002

	Governmental Fund	
	General	Special Revenue
<b>Receipts:</b>		
Property tax	\$ 876,427	295,200
Tax increment financing collections	-	-
Other city tax	84,479	339,401
Licenses and permits	16,501	-
Use of money and property	152,556	1,017
Intergovernmental	146,863	496,365
Charges for service	398,220	-
Special assessments	-	111,498
Miscellaneous	136,490	36,558
Total receipts	1,811,536	1,280,039
<b>Disbursements:</b>		
Community Protection Program	1,124,659	547,128
Human Development Program	443,035	66,075
Home and Community Environment Program	189,663	386,348
Policy and Administration Program	133,432	18,888
Total disbursements	1,890,789	1,018,439
Excess (deficiency) of receipts over (under) disbursements	(79,253)	261,600
<b>Other financing sources (uses):</b>		
Sale of general fixed assets	84,750	-
Operating transfers in	33,191	-
Operating transfers out	(228,937)	(638,852)
Total other financing sources (uses)	(110,996)	(638,852)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(190,249)	(377,252)
Balance beginning of year	1,234,447	2,311,034
Balance end of year	\$ 1,044,198	1,933,782

See notes to financial statements.

Types		Proprietary	Fiduciary	Total
Debt	Capital	Fund Type	Fund Type	(Memorandum
Service	Projects	Enterprise	Trust	Only)
668,724	-	-	-	1,840,351
-	502,888	-	-	502,888
156,307	-	-	-	580,187
-	-	-	-	16,501
-	-	44,317	7,253	205,143
-	391,544	-	-	1,034,772
-	-	1,430,675	-	1,828,895
-	-	-	-	111,498
-	86,432	103,792	9,905	373,177
825,031	980,864	1,578,784	17,158	6,493,412
490,445	2,593	-	-	2,164,825
-	156,359	-	16,514	681,983
851,500	1,831,050	1,292,521	304	4,551,386
1,945	-	-	-	154,265
1,343,890	1,990,002	1,292,521	16,818	7,552,459
(518,859)	(1,009,138)	286,263	340	(1,059,047)
-	-	-	-	84,750
605,897	938,492	214,249	-	1,791,829
-	(120,866)	(803,174)	-	(1,791,829)
605,897	817,626	(588,925)	-	84,750
87,038	(191,512)	(302,662)	340	(974,297)
408,389	(725,870)	2,244,914	338,565	5,811,479
495,427	(917,382)	1,942,252	338,905	4,837,182

City of Red Oak

Comparison of Receipts, Disbursements  
and Changes in Balances -  
Actual to Budget

Year ended June 30, 2002

	Actual	Less Funds Not Required to be Budgeted
<b>Receipts:</b>		
Property tax	\$ 1,840,351	-
Tax increment financing collections	502,888	-
Other city tax	580,187	-
Licenses and permits	16,501	-
Use of money and property	205,143	1,017
Intergovernmental	1,034,772	-
Charges for service	1,828,895	-
Special assessments	111,498	-
Miscellaneous	373,177	37,746
<b>Total receipts</b>	<b>6,493,412</b>	<b>38,763</b>
<b>Disbursements:</b>		
Community Protection Program	2,164,825	40,805
Human Development Program	681,983	-
Home and Community Environment Program	4,551,386	-
Policy and Administration Program	154,265	-
<b>Total disbursements</b>	<b>7,552,459</b>	<b>40,805</b>
Deficiency of receipts under disbursements	(1,059,047)	(2,042)
Other financing sources, net	84,750	-
Deficiency of receipts and other financing sources under disbursements and other financing uses	(974,297)	(2,042)
Balance beginning of year	5,811,479	259,967
Balance end of year	<b>\$ 4,837,182</b>	<b>257,925</b>

See notes to financial statements.

Net	Amended Budget	Variance Favorable (Unfavorable)	Net as % of Amended Budget
1,840,351	1,823,218	17,133	101%
502,888	502,636	252	100%
580,187	431,355	148,832	135%
16,501	11,500	5,001	143%
204,126	171,100	33,026	119%
1,034,772	1,677,697	(642,925)	62%
1,828,895	1,953,050	(124,155)	94%
111,498	30,000	81,498	372%
335,431	29,600	305,831	1133%
6,454,649	6,630,156	(175,507)	97%
2,124,020	2,347,478	223,458	90%
681,983	702,823	20,840	97%
4,551,386	5,742,776	1,191,390	79%
154,265	187,402	33,137	82%
7,511,654	8,980,479	1,468,825	84%
(1,057,005)	(2,350,323)		
84,750	893,081		
(972,255)	(1,457,242)		
5,551,512	5,044,466		
4,579,257	3,587,224		

City of Red Oak  
Statement of Indebtedness  
Year ended June 30, 2002

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation notes:			
Essential corporate purpose	Jun 1, 1993	4.90%	\$ 1,350,000
Essential corporate purpose	Mar 1, 1995	6.60 -7.00	165,000
Essential corporate purpose	Oct 1, 1995	6.95-7.30	365,000
Essential and general corporate purpose	Aug 1, 1997	4.75-5.20	1,635,000
Essential corporate purpose	Apr 1, 1998	4.35-4.70	600,000
Essential corporate purpose	Jul 1, 1998	4.35-4.70	1,000,000
Essential corporate purpose	Apr 1, 1999	4.35	470,000
Essential corporate purpose	Jul 1, 2000	5.20-5.70	1,185,000
Total			
Revenue notes:			
Water	Nov 1, 1996	5.15-5.45%	\$ 1,370,000

See notes to financial statements.

	Balance Beginning of Year	Redeemed During Year	Balance End of Year	Interest Paid
	300,000	300,000	-	14,700
	105,000	15,000	90,000	7,125
	285,000	20,000	265,000	20,315
	1,545,000	40,000	1,505,000	77,448
	445,000	55,000	390,000	20,138
	830,000	90,000	740,000	37,292
	470,000	470,000	-	20,445
	1,185,000	90,000	1,095,000	64,482
\$	5,165,000	1,080,000	4,085,000	261,945
	755,000	135,000	620,000	39,712

City of Red Oak

Notes to Financial Statements

June 30, 2002

**(1) Summary of Significant Accounting Policies**

The City of Red Oak is a political subdivision of the State of Iowa located in Montgomery County. It was first incorporated in 1901 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, culture, recreation, public improvements and general administrative services.

**A. Reporting Entity**

For financial reporting purposes, the City of Red Oak has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

**Component Unit**

The following component unit is an entity which is legally separate from the City, but is so intertwined with the City that it is, in substance, part of the City.

The Red Oak Volunteer Fire and Rescue Association, established pursuant to local ordinance and organized under its own articles of incorporation, collects donations which are used to purchase items which are not included in the City's budget. The financial transactions have been included in a Special Revenue Fund of the City.

**Jointly Governed Organizations**

The City participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following boards and commissions: Montgomery County Assessor's Conference Board and Southwest Iowa Planning Council (SWIPCO) Regional Planning Commission.

The City also participates in the Montgomery County Landfill Association, a jointly governed organization established pursuant to Chapter 28E of the Code of Iowa.

#### Related Organization

The City is also responsible for appointing the voting members or the majority of voting members of the Low Rent Housing Board and the Montgomery County Public Safety Communications Commission, but the City's accountability for these organizations does not extend beyond making the appointments.

### B. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its receipts, disbursements and fund balances. The various funds and their designated purposes are as follows:

#### Governmental Funds

General Fund - The General Fund is the general operating fund of the City. All general tax receipts and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - The Special Revenue Funds are utilized to account for receipts derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Debt Service Fund - The Debt Service Fund is utilized to account for the payment of interest and principal on the City's general obligation and special assessment long-term debt.

Capital Projects Funds - The Capital Projects Funds are utilized to account for all resources used in the acquisition and construction of capital facilities, with the exception of those that are financed through enterprise funds.

#### Proprietary Funds

Enterprise Funds - The Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are supported by user charges.

#### Fiduciary Funds

Trust Funds - The Trust Funds are utilized to account for monies and properties received and held by the City in a trustee capacity. These include expendable trust funds and non-expendable trust funds.

C. Basis of Accounting

The City of Red Oak maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

D. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds, except for the blended component unit and non-expendable trust funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon four major classes of disbursements, known as programs, not by fund. These four programs are community protection, human development, home and community environment and policy and administration.

E. Total (Memorandum Only)

The total column on the combined statement of cash transactions is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**(2) Deposits and Investments**

The City's deposits in banks at June 30, 2002 were entirely covered by federal depository insurance or by the State Sinking Fund, in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$47,183 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

**(3) Notes Payable**

Annual debt service requirements to maturity for general obligation and revenue notes are as follows:

Year Ending June 30,	General Obligation Notes		Revenue Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 445,000	211,770	145,000	32,895	590,000	244,665
2004	460,000	190,085	150,000	25,427	610,000	215,512
2005	490,000	167,177	160,000	17,552	650,000	184,729
2006	510,000	142,440	165,000	8,992	675,000	151,432
2007	535,000	116,455	-	-	535,000	116,455
2008	555,000	88,865	-	-	555,000	88,865
2009	500,000	60,015	-	-	500,000	60,015
2010	400,000	33,548	-	-	400,000	33,548
2011	190,000	11,470	-	-	190,000	11,470
Total	\$ 4,085,000	1,021,825	620,000	84,866	4,705,000	1,106,691

The resolution providing for the issuance of the revenue notes includes the following provisions:

- (a) The notes will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the funds.
- (b) Sufficient monthly transfers shall be made to the water revenue sinking account for the purpose of making the note principal and interest payments when due.
- (c) The water revenue reserve account shall be established with a specific established balance. This account is restricted for the purpose of paying for principal and interest when funds in the sinking account are inadequate.
- (d) Monthly transfers of \$1,000 shall be made to the water capital improvement account until \$100,000 has been accumulated. This account is restricted for the purpose of paying for any capital improvements and extensions to the system or for principal and interest payments which the sinking account might be unable to make.

**(4) Pension and Retirement Benefits**

The City contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the City is required to contribute 5.75% of annual covered payroll except for fire and police employees, in which case the percentages are 6.20% and 9.29%, respectively. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2002, 2001 and 2000 were \$110,566, \$104,356, and \$98,983, respectively, equal to the required contributions for each year.

**(5) Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation, compensatory time, and sick leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation, compensatory time and sick leave termination payments payable to employees at June 30, 2002, primarily relating to the General Fund, is as follows:

---

Type of Benefit	Amount
Vacation	\$ 72,000
Sick leave	320,000
Compensatory time	<u>6,000</u>
Total	<u>\$ 398,000</u>

This liability has been computed based on rates of pay in effect at June 30, 2002.

**(6) Risk Management**

The City of Red Oak is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 384.12 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 400 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2002 were \$79,991.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2002, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws, after the sixth year, the member is refunded 100 percent of its capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

**(7) Industrial Development Revenue Bonds**

The City has issued a total of \$1,050,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$865,000 is outstanding at June 30, 2002. The bonds and related interest are payable solely from the rents payable by tenants of the properties constructed, and the bond principal and interest do not constitute liabilities of the City.

**(8) Treasurer's Debt Service Account**

The City deposits into a Treasurer's Debt Service Account sufficient funds to redeem note indebtedness and interest when due. These deposits are recorded as disbursements at the time of payment and subsequent activity and resulting balances are not recorded by the City. At June 30, 2002, the Treasurer's Debt Service Account had a balance of \$5, representing debt payments overfunded.

**(9) Library Bequests**

The Library has received various restricted bequests. At June 30, 2002, the Library Bequest Account included a total of \$43,000 of memorials as follows:

Name of Memorial	Amount	Purpose
Julia Lane	\$ 10,000	Interest to be used for the purchase of reference books.
Louise Artz	5,000	Interest to be used for the purchase of prints.
Darwin Merritt	1,000	Interest to be used for the purchase of books and furniture.
Mary Windle	1,000	Interest to be used for the purchase of "standard authors" to be placed in a separate "Mary Windle Collection."
Herbert C. Lane	1,000	Interest to be used for the purchase of reference books for the "Lane Memorial Collection."
Virginia A. Petty	<u>25,000</u>	Interest to be used to purchase library materials.
	<u>\$ 43,000</u>	

**(10) Komarek Trust**

The City receives \$600 annually from the trustee of the Komarek Trust to be used for maintenance of cemetery chapel grounds and roadways and for placement of flowers on certain graves. During the year ended June 30, 2002, the City spent \$304 of these funds for flowers and statues. At June 30, 2002, the balance in the Komarek Trust Account totaled \$8,712.

**(11) Contingent Liability**

The City is subject to a potential liability of \$735,100 for financial security in connection with its former participation in the operation of the Red Oak Landfill. The probability of loss, if any, is indeterminable.

**(12) Deficit Balances**

At June 30, 2002, the City had deficit balances in the following accounts:

Fund	Balance June 30, 2002
Capital Projects:	
Coolbaugh Bridge	\$ 1,546
Red Oak Creek Study	1,157
Airport Master Plan	7,715
2001 Street Improvements	414,612
Broadway Project	11,190
Airport Land Acquisition	41,344
Airport Hangar	475

Fund	Balance June 30, 2002
Capital Projects (continued):	
Nuckols Street Bridge	135,709
Airport RCO Facility	3,813
Depot Interior Project Engineering	36,098
2000 Street Improvements	7,135
Supervisory Controls and Data Acquisition	11,686
Airport Apron	158,492
South Well Reservoir Improvements	286,499
2002 Street Improvements	14,938
2000 Senate Avenue Extension	105,452
Enterprise:	
Sales Tax	5,909
Recycling	3,884

The deficit balances in the Capital Projects Funds will be eliminated through anticipated reimbursement from grants and note proceeds which were not received as scheduled in fiscal year 2002. In addition, the deficit balance in the Capital Projects Funds, 2000 Senate Avenue Extension account will be eliminated through the transfer of currently available funds from the Special Revenue Fund, Special Assessments and Road Use Tax accounts.

The deficit balances in the Enterprise Funds will be eliminated through subsequent collections of sales tax and recycling fees.

**(13) Community Development Block Grant – Economic Development Set-Aside Program**

The City has received a total of \$382,500 from the Iowa Department of Economic Development (IDED) to promote and assist economic growth through the development and expansion of qualified businesses, the creation of jobs, and the expansion of the municipal and county tax base. In accordance with the agreement, the City loaned \$375,000 to a qualified business. The loan consists of a \$375,000 forgivable loan. Terms of the forgivable loan are based on the creation of 150 jobs and the investment of \$13,189,000 by the qualified business. The City's liability for the repayment of this loan is limited to the amounts collected from the qualified business. Therefore, the liability for this loan is not included on the Statement of Indebtedness (Exhibit C). The qualified business filed for bankruptcy and has not met the requirements of the grant agreement. The City has received documentation from IDED stating that the City has satisfied its obligations under the contract with IDED and there are no further steps the City needs to pursue.

**(14) Related Party Transactions**

The City had business transactions between the City and City officials, totaling \$206,907 during the year ended June 30, 2002.

**(15) Commitments**

Construction commitments for bridge, street and water well projects at June 30, 2002 totaled \$777,552. During the year, \$721,891 was paid under these construction commitments. The balance of \$55,661 will be paid as work on the projects progresses.

**(16) Subsequent Events**

In September 2002, the City entered into a construction contract totaling \$107,402 for construction of an aircraft hangar building. In November 2002, the City issued \$830,000 of general obligation notes for the purpose of providing funds to pay the costs of improvements to streets and the airport.

## **Supplemental Information**

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Seized Property	Drug Awareness Resistance Education
<b>Receipts:</b>			
Property tax	\$ 876,427	-	-
<b>Other city tax:</b>			
Cable franchise fee	20,082	-	-
Utility tax replacement excise tax	58,385	-	-
Mobile home tax	4,012	-	-
Payment in lieu of taxes	2,000	-	-
	<u>84,479</u>	-	-
<b>Licenses and permits:</b>			
Beer and liquor	7,362	-	-
Cigarette	2,494	-	-
Building	3,126	-	-
Non-business	3,474	-	-
Miscellaneous	45	-	-
	<u>16,501</u>	-	-
<b>Use of money and property:</b>			
Interest on investments	131,843	-	-
Rent	-	-	-
Cemetery lots	6,085	-	-
	<u>137,928</u>	-	-
<b>Intergovernmental:</b>			
Bulletproof Vest Partnership Program	-	1,725	-
State allocation	104,822	-	-
Iowa Community Cultural Grant	-	-	-
Library open access	-	-	-
Enrich Iowa program	-	-	-
Bank franchise tax	25,262	-	-
	<u>130,084</u>	<u>1,725</u>	<u>-</u>



City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	Street Sinking	Airport Sinking	Computer Sinking
Receipts:			
Property tax	-	-	-
Other city tax:			
Cable franchise fee	-	-	-
Utility tax replacement excise tax	-	-	-
Mobile home tax	-	-	-
Payment in lieu of taxes	-	-	-
Licenses and permits:			
Beer and liquor	-	-	-
Cigarette	-	-	-
Building	-	-	-
Non-business	-	-	-
Miscellaneous	-	-	-
Use of money and property:			
Interest on investments	2,564	487	-
Rent	1,310	-	-
Cemetery lots	-	-	-
	3,874	487	-
Intergovernmental:			
Bulletproof Vest Partnership Program	-	-	-
State allocation	-	-	-
Iowa Community Cultural Grant	-	-	-
Library open access	-	-	-
Enrich Iowa program	-	-	-
Bank franchise tax	-	-	-

Historical Preser- vation Sinking	Park Savings	Planning and Zoning Sinking	209 Washington Sinking	Police Sinking	Property Lien Sinking	Total
-	-	-	-	-	-	876,427
-	-	-	-	-	-	20,082
-	-	-	-	-	-	58,385
-	-	-	-	-	-	4,012
-	-	-	-	-	-	2,000
-	-	-	-	-	-	84,479
-	-	-	-	-	-	7,362
-	-	-	-	-	-	2,494
-	-	-	-	-	-	3,126
-	-	-	-	-	-	3,474
-	-	-	-	-	-	45
-	-	-	-	-	-	16,501
-	-	-	-	-	-	138,883
-	-	-	6,278	-	-	7,588
-	-	-	-	-	-	6,085
-	-	-	6,278	-	-	152,556
-	-	-	-	-	-	1,725
-	-	-	-	-	-	104,822
-	-	-	-	-	-	11,060
-	-	-	-	-	-	2,864
-	-	-	-	-	-	1,130
-	-	-	-	-	-	25,262
-	-	-	-	-	-	146,863

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Seized Property	Drug Awareness Resistance Education
<b>Receipts (continued):</b>			
<b>Charges for service:</b>			
Township fire protection	38,397	-	-
Equipment and labor charges	8,402	-	-
Grave openings	27,200	-	-
Ambulance fees	248,015	-	-
Airport sales	26,471	-	-
Library charges	24,725	-	-
Park and recreation fees	1,352	-	-
Swimming pool admissions	22,993	-	-
Impoundment fees	515	-	-
Zoning fees	150	-	-
	<b>398,220</b>	-	-
<b>Miscellaneous:</b>			
Concessions	-	-	-
Donations and fund raisers	-	-	-
Refunds and reimbursements	10,101	-	-
Fines and fees	26,516	-	-
Miscellaneous	101	-	50
	<b>36,718</b>	-	<b>50</b>
<b>Total receipts</b>	<b>1,680,357</b>	<b>1,725</b>	<b>50</b>
<b>Disbursements:</b>			
<b>Community Protection Program:</b>			
<b>Police:</b>			
Personal services	479,417	-	-
Contractual services	46,149	-	908
Commodities	28,753	85	-
Capital outlay	-	3,751	-
	<b>554,319</b>	<b>3,836</b>	<b>908</b>



City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	Street Sinking	Airport Sinking	Computer Sinking
<b>Receipts (continued):</b>			
<b>Charges for service:</b>			
Township fire protection	-	-	-
Equipment and labor charges	-	-	-
Grave openings	-	-	-
Ambulance fees	-	-	-
Airport sales	-	-	-
Library charges	-	-	-
Park and recreation fees	-	-	-
Swimming pool admissions	-	-	-
Impoundment fees	-	-	-
Zoning fees	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous:</b>			
Concessions	-	-	-
Donations and fund raisers	-	-	-
Refunds and reimbursements	10,033	-	-
Fines and fees	-	-	-
Miscellaneous	-	251	-
	<b>10,033</b>	<b>251</b>	<b>-</b>
<b>Total receipts</b>	<b>13,907</b>	<b>738</b>	<b>-</b>
<b>Disbursements:</b>			
<b>Community Protection Program:</b>			
<b>Police:</b>			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
Capital outlay	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

Historical Preser- vation Sinking	Park Savings	Planning and Zoning Sinking	209 Washington Sinking	Police Sinking	Property Lien Sinking	Total
-	-	-	-	-	-	38,397
-	-	-	-	-	-	8,402
-	-	-	-	-	-	27,200
-	-	-	-	-	-	248,015
-	-	-	-	-	-	26,471
-	-	-	-	-	-	24,725
-	-	-	-	-	-	1,352
-	-	-	-	-	-	22,993
-	-	-	-	-	-	515
-	-	-	-	-	-	150
-	-	-	-	-	-	398,220
-	-	-	-	-	-	5,752
-	-	-	-	-	-	1,000
-	-	-	-	32,171	-	99,708
-	-	-	-	-	-	26,516
-	-	-	-	-	-	3,514
-	-	-	-	32,171	-	136,490
-	-	-	6,278	32,171	-	1,811,536
-	-	-	-	-	-	479,417
-	-	-	-	6,145	-	53,302
-	-	-	-	-	-	29,724
-	-	-	-	3,339	-	7,090
-	-	-	-	9,484	-	569,533

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Seized Property	Drug Awareness Resistance Education
<b>Disbursements (continued):</b>			
<b>Community Protection Program:</b>			
<b>Fire:</b>			
Personal services	349,128	-	-
Contractual services	47,690	-	-
Commodities	35,032	-	-
Capital outlay	-	-	-
	431,850	-	-
Flood control	466	-	-
Joint communications	105,688	-	-
	1,092,323	3,836	908
<b>Human Development Program:</b>			
<b>Library:</b>			
Personal services	96,100	-	-
Contractual services	21,937	-	-
Commodities	30,637	-	-
	148,674	-	-
<b>Park:</b>			
Personal services	55,633	-	-
Contractual services	49,321	-	-
Commodities	25,460	-	-
Capital outlay	-	-	-
	130,414	-	-
<b>Swimming pool:</b>			
Personal services	21,953	-	-
Commodities	44,466	-	-
Capital outlay	8,271	-	-
	74,690	-	-
<b>Leisure-time opportunity:</b>			
Contractual services	15,277	-	-
Commodities	-	-	-
	15,277	-	-
	369,055	-	-

K-9	Reserve Officers	Library Sinking	Cemetery Sinking	Park Improvement Sinking	Fire Sinking
-	-	-	-	-	-
-	-	-	-	-	6,635
-	-	-	-	-	-
-	-	-	-	-	10,487
-	-	-	-	-	17,122
-	-	-	-	-	-
-	-	-	-	-	-
100	886	-	-	-	17,122
-	-	-	-	-	-
-	-	11,060	-	-	-
-	-	2,828	-	-	-
-	-	13,888	-	-	-
-	-	-	-	-	-
-	-	-	-	35,794	-
-	-	-	-	7,821	-
-	-	-	-	11,250	-
-	-	-	-	54,865	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,888	-	54,865	-

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	Street Sinking	Airport Sinking	Computer Sinking
<b>Disbursements (continued):</b>			
<b>Community Protection Program:</b>			
<b>Fire:</b>			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
Capital outlay	-	-	-
	-	-	-
Flood control	-	-	-
Joint communications	-	-	-
	-	-	-
<b>Human Development Program:</b>			
<b>Library:</b>			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
	-	-	-
<b>Park:</b>			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
Capital outlay	-	-	-
	-	-	-
<b>Swimming pool:</b>			
Personal services	-	-	-
Commodities	-	-	-
Capital outlay	-	-	-
	-	-	-
<b>Leisure-time opportunity:</b>			
Contractual services	-	-	-
Commodities	-	-	-
	-	-	-
	-	-	-

Historical Preser- vation Sinking	Park Savings	Planning and Zoning Sinking	209 Washington Sinking	Police Sinking	Property Lien Sinking	Total
-	-	-	-	-	-	349,128
-	-	-	-	-	-	54,325
-	-	-	-	-	-	35,032
-	-	-	-	-	-	10,487
-	-	-	-	-	-	448,972
-	-	-	-	-	-	466
-	-	-	-	-	-	105,688
-	-	-	-	9,484	-	1,124,659
-	-	-	-	-	-	96,100
-	-	-	-	-	-	32,997
-	-	-	-	-	-	33,465
-	-	-	-	-	-	162,562
-	-	-	-	-	-	55,633
-	-	-	-	-	-	85,115
-	-	-	-	-	-	33,281
-	-	-	-	-	-	11,250
-	-	-	-	-	-	185,279
-	-	-	-	-	-	21,953
-	-	-	-	-	-	44,466
-	-	-	-	-	-	8,271
-	-	-	-	-	-	74,690
2,050	-	-	1,082	-	-	18,409
-	-	-	-	-	2,095	2,095
2,050	-	-	1,082	-	2,095	20,504
2,050	-	-	1,082	-	2,095	443,035

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Seized Property	Drug Awareness Resistance Education
Disbursements (continued):			
Home and Community Environment			
Program:			
Health:			
Personal services	18,031	-	-
Contractual services	11,425	-	-
Commodities	3,717	-	-
	33,173	-	-
Cemetery:			
Personal services	66,380	-	-
Contractual services	4,313	-	-
Commodities	11,626	-	-
Capital outlay	7,800	-	-
	90,119	-	-
Airport/Street:			
Personal services	33,037	-	-
Contractual services	21,264	-	-
Commodities	8,733	-	-
	63,034	-	-
	186,326	-	-
Policy and Administration Program:			
Administration:			
Personal services	33,100	-	-
Contractual services	34,334	-	-
Commodities	12,736	-	-
	80,170	-	-
Legal:			
Personal services	16,843	-	-
Contractual services	3,978	-	-
	20,821	-	-
Treasurer	5,400	-	-

K-9	Reserve Officers	Library Sinking	Cemetery Sinking	Park Improvement Sinking	Fire Sinking
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,827	-	-
-	-	-	-	-	-
-	-	-	1,510	-	-
-	-	-	3,337	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,337	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	Street Sinking	Airport Sinking	Computer Sinking
Disbursements (continued):			
Home and Community Environment			
Program:			
Health:			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
	-	-	-
Cemetery:			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
Capital outlay	-	-	-
	-	-	-
Airport:			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
	-	-	-
	-	-	-
Policy and Administration Program:			
Administration:			
Personal services	-	-	-
Contractual services	-	-	4,896
Commodities	-	-	449
	-	-	5,345
Legal:			
Personal services	-	-	-
Contractual services	-	-	-
	-	-	-
Treasurer			
	-	-	-

Historical Preser- vation Sinking	Park Savings	Planning and Zoning Sinking	209 Washington Sinking	Police Sinking	Property Lien Sinking	Total
-	-	-	-	-	-	18,031
-	-	-	-	-	-	11,425
-	-	-	-	-	-	3,717
-	-	-	-	-	-	33,173
-	-	-	-	-	-	66,380
-	-	-	-	-	-	6,140
-	-	-	-	-	-	11,626
-	-	-	-	-	-	9,310
-	-	-	-	-	-	93,456
-	-	-	-	-	-	33,037
-	-	-	-	-	-	21,264
-	-	-	-	-	-	8,733
-	-	-	-	-	-	63,034
-	-	-	-	-	-	189,663
-	-	-	-	-	-	33,100
-	-	-	-	-	-	39,230
-	-	-	-	-	-	13,185
-	-	-	-	-	-	85,515
-	-	-	-	-	-	16,843
-	-	-	-	-	-	3,978
-	-	-	-	-	-	20,821
-	-	-	-	-	-	5,400

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Seized Property	Drug Awareness Resistance Education
Disbursements (continued):			
Policy and Administration Program:			
Legislative:			
Personal services	6,740	-	-
Contractual services	7,935	-	-
Commodities	1,889	-	-
	<u>16,564</u>	-	-
Other administrative services:			
Contractual services	5,132	-	-
	<u>128,087</u>	-	-
Total disbursements	<u>1,775,791</u>	<u>3,836</u>	<u>908</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(95,434)</u>	<u>(2,111)</u>	<u>(858)</u>
Other financing sources (uses):			
Sale of fixed assets	84,750	-	-
Operating transfers in (out):			
General:			
General	-	-	-
Park Improvement Sinking	-	-	-
Historical Preservation Sinking	(1,000)	-	-
Park Savings	-	-	-
Special Revenue:			
Road Use Tax	28	-	-
Emergency	28,643	-	-
Capital Projects:			
John Eggert Memorial Park	(20)	-	-
Roof Repair	(135,869)	-	-
Building Demolition	(87,738)	-	-
Enterprise:			
Landfill	(790)	-	-
Total other financing sources (uses)	<u>(111,996)</u>	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>(207,430)</u>	<u>(2,111)</u>	<u>(858)</u>
Balance beginning of year	<u>1,027,284</u>	<u>4,310</u>	<u>2,276</u>
Balance end of year	<u>\$ 819,854</u>	<u>2,199</u>	<u>1,418</u>

See accompanying independent auditor's report.

K-9	Reserve Officers	Library Sinking	Cemetery Sinking	Park Improvement Sinking	Fire Sinking
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100	886	13,888	3,337	54,865	17,122
(44)	(876)	1,478	1,583	(9,851)	(6,178)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,520	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,520	-
(44)	(876)	1,478	1,583	(6,331)	(6,178)
427	1,314	301	111,522	12,054	18,969
383	438	1,779	113,105	5,723	12,791

City of Red Oak  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	Street Sinking	Airport Sinking	Computer Sinking
Disbursements (continued):			
Policy and Administration Program:			
Legislative:			
Personal services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
	-	-	-
Other administrative services:			
Contractual services	-	-	-
	-	-	5,345
Total disbursements	-	-	5,345
Excess (deficiency) of receipts over (under) disbursements	13,907	738	(5,345)
Other financing sources (uses):			
Sale of fixed assets			
	-	-	-
Operating transfers in (out):			
General:			
General	-	-	-
Park Improvement Sinking	-	-	-
Historical Preservation Sinking	-	-	-
Park Savings	-	-	-
Special Revenue:			
Road Use Tax	-	-	-
Emergency	-	-	-
Capital Projects:			
John Eggert Memorial Park	-	-	-
Roof Repair	-	-	-
Building Demolition	-	-	-
Enterprise:			
Landfill	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	13,907	738	(5,345)
Balance beginning of year	15,716	2,508	11,958
Balance end of year	29,623	3,246	6,613

Historical Preser- vation Sinking	Park Savings	Planning and Zoning Sinking	209 Washington Sinking	Police Sinking	Property Lien Sinking	Total
-	-	-	-	-	-	6,740
-	-	-	-	-	-	7,935
-	-	-	-	-	-	1,889
-	-	-	-	-	-	16,564
-	-	-	-	-	-	5,132
-	-	-	-	-	-	133,432
2,050	-	-	1,082	9,484	2,095	1,890,789
(2,050)	-	-	5,196	22,687	(2,095)	(79,253)
-	-	-	-	-	-	84,750
1,000	-	-	-	-	-	1,000
-	(3,520)	-	-	-	-	(3,520)
-	-	-	-	-	-	(1,000)
-	-	-	-	-	-	3,520
-	-	-	-	-	-	28
-	-	-	-	-	-	28,643
-	-	-	-	-	-	(20)
-	-	-	-	-	-	(135,869)
-	-	-	-	-	-	(87,738)
-	-	-	-	-	-	(790)
1,000	(3,520)	-	-	-	-	(110,996)
(1,050)	(3,520)	-	5,196	22,687	(2,095)	(190,249)
3,109	3,520	1,552	11,893	3,452	2,282	1,234,447
2,059	-	1,552	17,089	26,139	187	1,044,198

City of Red Oak  
Combining Schedule of Cash Transactions  
Special Revenue Funds  
Year ended June 30, 2002

	Road Use Tax	Special Assessments	Emergency
<b>Receipts:</b>			
Property tax	\$ -	-	26,848
<b>Other city tax:</b>			
Local option sales tax	-	-	-
Utility tax replacement excise tax	-	-	1,795
	-	-	1,795
<b>Use of money and property:</b>			
Interest on investments	-	-	-
<b>Intergovernmental:</b>			
Road use tax allocation	496,365	-	-
Special assessments	-	111,498	-
<b>Miscellaneous:</b>			
Donations and fund raisers	-	-	-
Refunds and reimbursements	28	-	-
	28	-	-
<b>Total receipts</b>	<b>496,393</b>	<b>111,498</b>	<b>28,643</b>
<b>Disbursements:</b>			
<b>Community Protection Program:</b>			
Personal services	-	-	-
Contractual services	68,821	-	-
Commodities	-	-	-
Capital outlay	-	-	-
	68,821	-	-
<b>Human Development Program:</b>			
Personal services	-	-	-
<b>Home and Community Environment Program:</b>			
Personal services	124,410	-	-
Contractual services	41,367	-	-
Commodities	41,872	-	-
Capital outlay	87,041	-	-
	294,690	-	-

Volunteer Fire and Rescue Association	Local Option Sales Tax	Employee Benefits	Total
-	-	268,352	295,200
-	337,606	-	337,606
-	-	-	1,795
-	337,606	-	339,401
1,017	-	-	1,017
-	-	-	496,365
-	-	-	111,498
35,734	-	-	35,734
-	-	796	824
35,734	-	796	36,558
36,751	337,606	269,148	1,280,039
-	-	336,188	336,188
-	-	57	68,878
40,805	-	-	40,805
-	101,257	-	101,257
40,805	101,257	336,245	547,128
-	-	66,075	66,075
-	-	91,620	216,030
-	-	38	41,405
-	-	-	41,872
-	-	-	87,041
-	-	91,658	386,348

City of Red Oak  
Combining Schedule of Cash Transactions  
Special Revenue Funds  
Year ended June 30, 2002

	Road Use Tax	Special Assessments	Emergency
Disbursements (continued):			
Policy and Administration Program:			
Personal services	-	-	-
Total disbursements	363,511	-	-
Excess (deficiency) of receipts over (under) disbursements	132,882	111,498	28,643
Other financing uses:			
Operating transfers out:			
General:			
General	(28)	-	(28,643)
Debt Service:			
General Obligation-General	-	-	-
Capital Projects:			
2001 Street Improvements	(107,849)	-	-
West 2nd Street Bridge	(11,887)	-	-
Total other financing uses	(119,764)	-	(28,643)
Excess (deficiency) of receipts over (under) disbursements and other financing uses	13,118	111,498	-
Balance beginning of year	990,808	-	-
Balance end of year	\$ 1,003,926	111,498	-

See accompanying independent auditor's report.

Volunteer Fire and Rescue Association	Local Option Sales Tax	Employee Benefits	Total
-	-	18,888	18,888
40,805	101,257	512,866	1,018,439
(4,054)	236,349	(243,718)	261,600
-	-	-	(28,671)
-	(490,445)	-	(490,445)
-	-	-	(107,849)
-	-	-	(11,887)
-	(490,445)	-	(638,852)
(4,054)	(254,096)	(243,718)	(377,252)
39,925	351,622	928,679	2,311,034
35,871	97,526	684,961	1,933,782

**City of Red Oak**

City of Red Oak  
 Schedule of Cash Transactions  
 Debt Service Fund  
 Year ended June 30, 2002

	General Obligation General
Receipts:	
Property tax	\$ 668,724
Other city tax:	
Mobile home tax	2,769
Local option sales tax	112,535
Utility tax replacement excise tax	41,003
	156,307
Total receipts	825,031
Disbursements:	
Community Protection Program:	
Payments to Treasurer's Debt Service Account:	
Principal redemption	470,000
Interest payments	20,445
	490,445
Home and Community Environment Program:	
Payments to Treasurer's Debt Service Account:	
Principal redemption	610,000
Interest payments	241,500
	851,500
Policy and Administration Program:	
Contractual services	1,945
Total disbursements	1,343,890
Deficiency of receipts under disbursements	(518,859)
Other financing sources:	
Operating transfers in:	
Special Revenue:	
Local Option Sales Tax	490,445
Capital Projects:	
Tax Increment Financing	115,452
Total other financing sources	605,897
Excess of receipts and other financing sources over disbursements	87,038
Balance beginning of year	408,389
Balance end of year	\$ 495,427

See accompanying independent auditor's report.

City of Red Oak  
Combining Schedule of Cash Transactions  
Capital Projects Funds  
Year ended June 30, 2002

	Coolbaugh Bridge	Assisted Living	Red Oak Creek Study
<b>Receipts:</b>			
Tax increment financing collections	\$ -	-	-
<b>Intergovernmental:</b>			
Transportation Enhancement Program grant	-	-	-
Community Development Block Grant	-	-	-
Highway Planning and Construction	-	-	-
Heritage Foundation grant	-	-	-
Historical Resource Development Program grant	-	-	-
	-	-	-
<b>Miscellaneous:</b>			
Sales tax refund	-	-	-
Refunds and reimbursements	-	-	-
Miscellaneous	-	-	-
	-	-	-
Total receipts	-	-	-
<b>Disbursements:</b>			
<b>Community Protection Program:</b>			
Contractual services	-	-	870
Capital outlay	-	-	-
	-	-	870
<b>Human Development Program:</b>			
Contractual services	-	-	-
Capital outlay	-	-	-
	-	-	-
<b>Home and Community Environment Program:</b>			
Contractual services	1,142	375	-
Capital outlay	-	-	-
	1,142	375	-
Total disbursements	1,142	375	870

Airport Master Plan	2001 Street Improvements	Ratliff Road Water/ Sewer	Broadway Project	Airport Land Acquisition	Airport Hangar	John Eggert Memorial Park	Tax Increment Financing
-	-	-	-	-	-	-	454,999
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,181	2,164	-	-	-	-	-
-	6,719	-	-	-	-	-	-
-	-	-	5,000	5	-	60	-
-	10,900	2,164	5,000	5	-	60	-
-	10,900	2,164	5,000	5	-	60	454,999
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	80	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	80	-
-	67,429	23,329	16,190	29,290	475	-	260,248
-	431,505	113,187	-	-	-	-	-
-	498,934	136,516	16,190	29,290	475	-	260,248
-	498,934	136,516	16,190	29,290	475	80	260,248

City of Red Oak  
Combining Schedule of Cash Transactions  
Capital Projects Funds  
Year ended June 30, 2002

	Nuckols Street Bridge	Building Improve- ments	Roof Repair
<b>Receipts:</b>			
Tax increment financing collections	-	-	-
<b>Intergovernmental:</b>			
Transportation Enhancement Program grant	-	-	-
Community Development Block Grant	-	-	-
Highway Planning and Construction	242,385	-	-
Heritage Foundation grant	-	-	-
Historical Resource Development Program grant	-	-	-
	<u>242,385</u>	-	-
<b>Miscellaneous:</b>			
Sales tax refund	-	-	2,124
Reimbursements	-	-	-
Miscellaneous	-	-	492
	<u>-</u>	<u>-</u>	<u>2,616</u>
Total receipts	<u>242,385</u>	<u>-</u>	<u>2,616</u>
<b>Disbursements:</b>			
<b>Community Protection Program:</b>			
Contractual services	-	-	-
Capital outlay	-	1,723	-
	<u>-</u>	<u>1,723</u>	<u>-</u>
<b>Human Development Program:</b>			
Contractual services	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Home and Community Environment Program:</b>			
Contractual services	43,943	-	17,826
Capital outlay	302,982	-	109,602
	<u>346,925</u>	<u>-</u>	<u>127,428</u>
Total disbursements	<u>346,925</u>	<u>1,723</u>	<u>127,428</u>

YMCA Grant	Airport RCO Facility	Down-town TIF	Building Demolition	Courthouse Window Grant
-	-	47,889	-	-
-	-	-	-	-
-	-	-	-	-
100,000	-	-	-	-
-	-	-	-	15,956
100,000	-	-	-	15,956
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
100,000	-	47,889	-	15,956
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
100,000	-	-	-	-
-	-	-	-	-
100,000	-	-	-	-
-	3,645	-	-	15,956
-	-	17,247	-	-
-	3,645	17,247	-	15,956
100,000	3,645	17,247	-	15,956

City of Red Oak  
Combining Schedule of Cash Transactions  
Capital Projects Funds  
Year ended June 30, 2002

	Depot Interior Project Engineering	2000 Street Improvements	Supervisory Controls and Data Acquisition
Receipts:			
Tax increment financing collections	-	-	-
Intergovernmental:			
Transportation Enhancement Program grant	28,203	-	-
Community Development Block Grant	-	-	-
Highway Planning and Construction	-	-	-
Heritage Foundation grant	-	-	-
Historical Resource Development Program grant	-	-	-
	<u>28,203</u>	-	-
Miscellaneous:			
Sales tax refund	-	9,090	-
Reimbursements	40,253	-	-
Miscellaneous	-	-	-
	<u>40,253</u>	<u>9,090</u>	-
Total receipts	<u>68,456</u>	<u>9,090</u>	-
Disbursements:			
Community Protection Program:			
Contractual services	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Human Development Program:			
Contractual services	122	-	-
Capital outlay	56,157	-	-
	<u>56,279</u>	-	-
Home and Community Environment Program:			
Contractual services	-	1,225	11,686
Capital outlay	-	15,000	-
	<u>-</u>	<u>16,225</u>	<u>11,686</u>
Total disbursements	<u>56,279</u>	<u>16,225</u>	<u>11,686</u>

Airport Apron	Market Street Water/Sewer Replacement	Airport Fuel System	West 2nd Street Bridge	South Well Reservoir Improvements	2002 Street Improvements	Nicholstone	2000 Senate Avenue Extension	Total
-	-	-	-	-	-	-	-	502,888
-	-	-	-	-	-	-	-	28,203
-	-	-	-	-	-	5,000	-	5,000
-	-	-	-	-	-	-	-	242,385
-	-	-	-	-	-	-	-	100,000
-	-	-	-	-	-	-	-	15,956
-	-	-	-	-	-	5,000	-	391,544
-	7,961	2,873	-	-	-	-	5,510	33,903
-	-	-	-	-	-	-	-	46,972
-	-	-	-	-	-	-	-	5,557
-	7,961	2,873	-	-	-	-	5,510	86,432
-	7,961	2,873	-	-	-	5,000	5,510	980,864
-	-	-	-	-	-	-	-	870
-	-	-	-	-	-	-	-	1,723
-	-	-	-	-	-	-	-	2,593
-	-	-	-	-	-	-	-	100,202
-	-	-	-	-	-	-	-	56,157
-	-	-	-	-	-	-	-	156,359
5,568	1,046	936	2,654	45,538	14,938	-	3,009	566,448
24,709	-	176	9,233	240,961	-	-	-	1,264,602
30,277	1,046	1,112	11,887	286,499	14,938	-	3,009	1,831,050
30,277	1,046	1,112	11,887	286,499	14,938	-	3,009	1,990,002

City of Red Oak  
Combining Schedule of Cash Transactions  
Capital Projects Funds  
Year ended June 30, 2002

	Coolbaugh Bridge	Assisted Living	Red Oak Creek Study
Excess (deficiency) of receipts over (under) disbursements	(1,142)	(375)	(870)
Other financing sources (uses):			
Operating transfers in (out):			
General:			
General	-	-	-
Special Revenue:			
Road Use Tax	-	-	-
Debt Service:			
General Obligation - General	-	-	-
Capital Projects:			
Assisted Living	-	-	-
Tax Increment Financing	-	5,414	-
Enterprise:			
Water	-	-	-
Sewer	-	-	-
Total other financing sources (uses)	-	5,414	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(1,142)	5,039	(870)
Balance beginning of year	(404)	(5,039)	(287)
Balance end of year	\$ (1,546)	-	(1,157)

See accompanying independent auditor's report.

Airport Master Plan	2001 Street Improvements	Ratliff Road Water/ Sewer	Broadway Project	Airport Land Acquisition	Airport Hanger	John Eggert Memorial Park	Tax Increment Financing
-	(488,034)	(134,352)	(11,190)	(29,285)	(475)	(20)	194,751
-	-	-	-	-	-	20	-
-	107,849	-	-	-	-	-	-
-	-	-	-	-	-	-	(115,452)
-	-	-	-	-	-	-	(5,414)
-	-	-	-	-	-	-	-
-	-	18,578	-	-	-	-	-
-	-	124,331	-	-	-	-	-
-	107,849	142,909	-	-	-	20	(120,866)
-	(380,185)	8,557	(11,190)	(29,285)	(475)	-	73,885
(7,715)	(34,427)	(8,557)	-	(12,059)	-	-	147,646
(7,715)	(414,612)	-	(11,190)	(41,344)	(475)	-	221,531

City of Red Oak  
Combining Schedule of Cash Transactions  
Capital Projects Funds  
Year ended June 30, 2002

	Nuckols Street Bridge	Building Improve- ments	Roof Repair
Excess (deficiency) of receipts over (under) disbursements	(104,540)	(1,723)	(124,812)
Other financing sources (uses):			
Operating transfers in (out):			
General:			
General	-	-	135,869
Special Revenue:			
Road Use Tax	-	-	-
Debt Service:			
General Obligation - General	-	-	-
Capital Projets:			
Assisted Living	-	-	-
Tax Increment Financing	-	-	-
Enterprise:			
Water	-	-	-
Sewer Rental	-	-	-
Total other financing sources (uses)	-	-	135,869
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(104,540)	(1,723)	11,057
Balance beginning of year	(31,169)	32,994	(11,057)
Balance end of year	(135,709)	31,271	-

YMCA Grant	Airport RCO Facility	Down- town TIF	Building Demo- lition	Courthouse Window Grant
-	(3,645)	30,642	-	-
-	-	-	87,738	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	87,738	-
-	(3,645)	30,642	87,738	-
-	(168)	30,274	(87,738)	-
-	(3,813)	60,916	-	-

City of Red Oak  
Combining Schedule of Cash Transactions  
Capital Projects Funds  
Year ended June 30, 2002

	Depot Interior Project Engineering	2000 Street Improvements	Supervisory Controls and Data Acquisition
Excess (deficiency) of receipts over (under) disbursements	12,177	(7,135)	(11,686)
Other financing sources (uses):			
Operating transfers in (out):			
General:			
General	-	-	-
Special Revenue:			
Road Use Tax	-	-	-
Debt Service:			
General Obligation - General	-	-	-
Capital Projets:			
Assisted Living	-	-	-
Tax Increment Financing	-	-	-
Enterprise:			
Water	-	-	-
Sewer Rental	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	12,177	(7,135)	(11,686)
Balance beginning of year	(48,275)	-	-
Balance end of year	(36,098)	(7,135)	(11,686)

	Market Street	Airport	West	South	2002	2000			
Airport	Water/Sewer	Fuel	2nd Street	Well Reservoir	Street	Nicholstone	Senate	Avenue	Total
Apron	Replacement	System	Bridge	Improvements	Improvements	Improvements	Extension		
(30,277)	6,915	1,761	(11,887)	(286,499)	(14,938)	5,000	2,501		(1,009,138)
-	-	-	-	-	-	-	-	-	223,627
-	-	-	11,887	-	-	-	-	-	119,736
-	-	-	-	-	-	-	-	-	(115,452)
-	-	-	-	-	-	-	-	-	(5,414)
-	-	-	-	-	-	-	-	-	5,414
-	335,105	-	-	-	-	-	-	-	353,683
-	111,701	-	-	-	-	-	-	-	236,032
-	446,806	-	11,887	-	-	-	-	-	817,626
(30,277)	453,721	1,761	-	(286,499)	(14,938)	5,000	2,501		(191,512)
(128,215)	(453,721)	-	-	-	-	-	(107,953)		(725,870)
(158,492)	-	1,761	-	(286,499)	(14,938)	5,000	(105,452)		(917,382)

City of Red Oak  
Combining Schedule of Cash Transactions  
Enterprise Funds  
Year ended June 30, 2002

	Water	Water Revenue Sinking	Water Revenue Reserve	Water Capital Improve- ment
<b>Receipts:</b>				
Use of money and property:				
Interest on investments	\$ 23,067	-	-	-
<b>Charges for service:</b>				
Metered water sales	749,049	-	-	-
Unmetered water sales	103	-	-	-
Customer installation fees	12,578	-	-	-
Fines and penalties	13,539	-	-	-
Landfill fees	-	-	-	-
Superfund fees	-	-	-	-
Recycling fees	-	-	-	-
Sewer rental fees	-	-	-	-
	775,269	-	-	-
<b>Miscellaneous:</b>				
Customer deposits	-	-	-	-
Refunds and reimbursements	30,096	-	-	-
Sales tax collected	-	-	-	-
Miscellaneous	1,415	-	-	-
	31,511	-	-	-
<b>Total receipts</b>	<b>829,847</b>	-	-	-
<b>Disbursements:</b>				
Home and Community Environment Program:				
Administration:				
Personal services	63,014	-	-	-
Contractual services	789	-	-	-
Commodities	2,539	-	-	-
Capital outlay	-	-	-	-
	66,342	-	-	-
Distribution:				
Personal services	36,155	-	-	-
Contractual services	20,670	-	-	-
Commodities	21,205	-	-	-
Capital outlay	42,840	-	-	-
	120,870	-	-	-

Water Deposit	Sales Tax	Water Equipment Sinking	Sewer	Sewer Replacement	Landfill	Recycling	Superfund	Total
-	-		21,250	-	-	-	-	44,317
-	-	-	-	-	-	-	-	749,049
-	-	-	-	-	-	-	-	103
-	-	-	2,991	-	-	-	-	15,569
-	-	-	10,371	-	-	-	-	23,910
-	-	-	-	-	31,318	-	-	31,318
-	-	-	-	-	-	-	1,260	1,260
-	-	-	-	-	-	32,578	-	32,578
-	-	-	576,888	-	-	-	-	576,888
-	-	-	590,250	-	31,318	32,578	1,260	1,430,675
13,665	-	-	-	-	-	-	-	13,665
-	-	-	2,664	-	-	-	-	32,760
-	53,369	-	-	-	-	-	-	53,369
-	-	-	2,583	-	-	-	-	3,998
13,665	53,369	-	5,247	-	-	-	-	103,792
13,665	53,369	-	616,747	-	31,318	32,578	1,260	1,578,784
-	-	-	-	-	-	-	-	63,014
-	-	-	-	-	-	35,750	1,714	38,253
-	-	-	-	-	-	-	87	2,626
-	-	-	-	-	1,060	-	-	1,060
-	-	-	-	-	1,060	35,750	1,801	104,953
-	-	-	-	-	-	-	-	36,155
-	-	-	-	-	-	-	-	20,670
-	-	-	-	-	-	-	-	21,205
-	-	-	-	-	-	-	-	42,840
-	-	-	-	-	-	-	-	120,870

City of Red Oak  
Combining Schedule of Cash Transactions  
Enterprise Funds  
Year ended June 30, 2002

	Water Revenue Sinking	Water Revenue Reserve	Water Capital Improve- ment
Disbursements (continued):			
Home and Community Environment			
Program:			
Plant:			
Personal services	42,632	-	-
Contractual services	111,096	-	-
Commodities	65,693	-	-
Capital outlay	-	-	-
	219,421	-	-
Accounting:			
Personal services	106,466	-	-
Contractual services	5,547	-	-
Commodities	16,073	-	-
Capital outlay	16,958	-	-
	145,044	-	-
Payments to Treasurer's Debt			
Service Account:			
Principal redemption	-	135,000	-
Interest payments	-	39,712	-
	-	174,712	-
Total disbursements	551,677	174,712	-
Excess (deficiency) of receipts over (under) disbursements	278,170	(174,712)	-
Other financing sources (uses):			
Operating transfers in (out):			
General:			
General	-	-	-
Capital Projects:			
Ratliff Road Water/Sewer	(18,578)	-	-
Market Street Water/Sewer Replacement	(335,105)	-	-

Water Deposit	Sales Tax	Water Equipment Sinking	Sewer	Sewer Replacement	Landfill	Recycling	Superfund	Total
-	-	-	236,455	-	-	-	-	279,087
-	-	-	95,933	-	-	-	-	207,029
-	-	-	21,208	-	-	-	-	86,901
-	-	-	110,879	-	-	-	-	110,879
-	-	-	464,475	-	-	-	-	683,896
-	-	-	-	-	-	-	-	106,466
-	-	-	-	-	-	-	-	5,547
8,986	54,060	-	-	-	-	-	-	79,119
-	-	-	-	-	-	-	-	16,958
8,986	54,060	-	-	-	-	-	-	208,090
-	-	-	-	-	-	-	-	135,000
-	-	-	-	-	-	-	-	39,712
-	-	-	-	-	-	-	-	174,712
8,986	54,060	-	464,475	-	1,060	35,750	1,801	1,292,521
4,679	(691)	-	152,272	-	30,258	(3,172)	(541)	286,263
-	-	-	-	-	790	-	-	790
-	-	-	(124,331)	-	-	-	-	(142,909)
-	-	-	(111,701)	-	-	-	-	(446,806)

City of Red Oak  
Combining Schedule of Cash Transactions  
Enterprise Funds  
Year ended June 30, 2002

	Water Revenue Sinking	Water Revenue Reserve	Water Capital Improve- ment
Other financing sources (uses) (continued):			
Enterprise:			
Water	-	174,978	-
Water Revenue Sinking	(174,978)	-	-
Water Equipment Sinking	1,312	-	-
Sewer	-	-	-
Sewer Replacement	-	-	-
Landfill	-	-	-
Superfund	-	-	-
Total other financing sources (uses)	<u>(527,349)</u>	<u>174,978</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(249,179)	266	-
Balance beginning of year	<u>548,251</u>	<u>14,559</u>	<u>178,000</u>
Balance end of year	<u>\$ 299,072</u>	<u>14,825</u>	<u>178,000</u>

See accompanying independent auditor's report.

Water Deposit	Sales Tax	Water Equipment Sinking	Sewer	Sewer Replacement	Landfill	Recycling	Superfund	Total
-	-	(1,312)	-	-	-	-	-	173,666
-	-	-	-	-	-	-	-	(174,978)
-	-	-	-	-	-	-	-	1,312
-	-	-	-	15,000	-	-	-	15,000
-	-	-	(15,000)	-	-	-	-	(15,000)
-	-	-	-	-	-	-	22,169	22,169
-	-	-	-	-	(22,169)	-	-	(22,169)
-	-	(1,312)	(251,032)	15,000	(21,379)	-	22,169	(588,925)
4,679	(691)	(1,312)	(98,760)	15,000	8,879	(3,172)	21,628	(302,662)
47,721	(5,218)	1,312	1,114,880	255,000	(8,879)	(712)	-	2,244,914
52,400	(5,909)	-	1,016,120	270,000	-	(3,884)	21,628	1,942,252

**City of Red Oak**

City of Red Oak  
Schedule of Cash Transactions  
Trust Funds  
Year ended June 30, 2002

	Non-Expendable Trust	Expendable Trusts			Total
		Cemetery Perpetual Care	Library Komarek Trust	Library Bequest (Note 9)	
Receipts:					
Use of money and property:					
Interest on investments	\$ -	-	6,866	387	7,253
Miscellaneous:					
Perpetual care payments	2,012	-	-	-	2,012
Donations and memorials	-	600	6,074	-	6,674
Refunds and reimbursements	-	809	-	-	809
Miscellaneous	-	-	410	-	410
	2,012	1,409	6,484	-	9,905
Total receipts	2,012	1,409	13,350	387	17,158
Disbursements:					
Human Development Program:					
Books and materials	-	-	2,875	-	2,875
Architect fees	-	-	13,621	-	13,621
Miscellaneous	-	-	18	-	18
	-	-	16,514	-	16,514
Home and Community Environment Program:					
Flowers and statues	-	304	-	-	304
Total disbursements	-	304	16,514	-	16,818
Excess (deficiency) of receipts over (under) disbursements	2,012	1,105	(3,164)	387	340
Balance beginning of year	177,042	7,607	149,539	4,377	338,565
Balance end of year	\$ 179,054	8,712	146,375	4,764	338,905

See accompanying independent auditor's report.

City of Red Oak

Note Maturities

June 30, 2002

Year Ending June 30,	Essential Corporate Purpose Issued Mar 1, 1995		Essential Corporate Purpose Issued Oct 1, 1995		Essential and General Corporate Purpose Issued Aug 1, 1997		Essential Corporate Purpose Issued Apr 1, 1998	
	Interest		Interest		Interest		Interest	
	Rates	Amount	Rates	Amount	Rates	Amount	Rates	Amount
2003	6.60%	\$ 15,000	6.95%	\$ 20,000	4.75%	\$ 155,000	4.35%	\$ 60,000
2004	6.70	15,000	7.00	25,000	4.85	165,000	4.45	60,000
2005	6.80	15,000	7.05	25,000	4.95	175,000	4.55	65,000
2006	6.90	15,000	7.10	25,000	5.00	185,000	4.60	65,000
2007	7.00	15,000	7.15	30,000	5.05	190,000	4.65	70,000
2008	7.00	15,000	7.15	30,000	5.10	200,000	4.70	70,000
2009	-	-	7.20	35,000	5.15	210,000	-	-
2010	-	-	7.25	35,000	5.20	225,000	-	-
2011	-	-	7.30	40,000	-	-	-	-
Total		<u>\$ 90,000</u>		<u>\$ 265,000</u>		<u>\$ 1,505,000</u>		<u>\$ 390,000</u>

Year Ending June 30,	Revenue Notes Water Issued Nov 1, 1996	
	Interest	
	Rates	Amount
2003	5.15%	\$ 145,000
2004	5.25	150,000
2005	5.35	160,000
2006	5.45	165,000
Total		<u>\$ 620,000</u>

See accompanying independent auditor's report.

Essential Corporate Purpose Issued Jul 1, 1998		Essential Corporate Purpose Issued Jul 1, 2000		Total
Interest Rates	Amount	Interest Rates	Amount	
4.35%	\$ 95,000	5.20%	\$ 100,000	\$ 445,000
4.40	95,000	5.30	100,000	460,000
4.45	100,000	5.35	110,000	490,000
4.50	105,000	5.40	115,000	510,000
4.55	110,000	5.45	120,000	535,000
4.60	115,000	5.50	125,000	555,000
4.70	120,000	5.55	135,000	500,000
	-	5.60	140,000	400,000
	-	5.70	150,000	190,000
	<u>\$ 740,000</u>		<u>\$ 1,095,000</u>	<u>\$ 4,085,000</u>

**Schedule 8**

## City of Red Oak

## Comparison of Taxes and Intergovernmental Receipts

	Years ended June 30,			
	2002	2001	2000	1999
Property tax	\$ 1,840,351	2,033,311	2,150,375	1,932,592
Tax increment financing collections	502,888	279,032	354,010	177,886
Other city tax:				
Cable franchise fee	20,082	19,094	18,993	18,013
Local option sales tax	450,141	368,787	381,800	26,645
Mobile home tax	6,781	6,456	6,248	1,745
Utility tax replacement excise tax	101,183	99,307	-	-
In-lieu of taxes	2,000	2,000	-	2,000
	580,187	495,644	407,041	48,403
Intergovernmental:				
Road use tax	496,365	501,564	508,184	460,469
Library open access	2,864	2,103	830	427
State allocation	104,822	112,898	113,229	113,136
Grants	405,459	385,005	604,631	250,956
Bank franchise tax	25,262	25,702	20,929	14,636
	1,034,772	1,027,272	1,247,803	839,624
Total	\$ 3,958,198	3,835,259	4,159,229	2,998,505

See accompanying independent auditor's report.

City of Red Oak  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency Pass-through Number	Program Disburse- ments
Direct:			
U.S. Department of Transportation:			
Federal Aviation Administration:			
Airport Improvement Program	20.106	3-19-0077-01	\$ 27,249
Airport Improvement Program	20.106	3-19-0077-02	26,361
			<u>53,610</u>
U.S. Department of Justice			
Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607		<u>1,725</u>
Office of Community Oriented Policing Services:			
Public Safety Partnership and Community Policing Grants	16.710		<u>27,019</u>
Total direct			<u>82,354</u>
Indirect:			
National Highway Traffic Safety Administration:			
Iowa Department of Public Safety/Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	PAP 02-157, Task 103	<u>2,014</u>
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-6360(608)--8J-69	<u>242,385</u>
Transportation Enhancement Program	20.295	STP-E-6360(7)--81-69	<u>670</u>
Total indirect			<u>245,069</u>
Total			<u>\$ 327,423</u>

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Red Oak and is presented in conformity with an other comprehensive basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

**City of Red Oak**



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

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Independent Auditor's Report on Compliance  
and on Internal Control over Financial Reporting

To the Honorable Mayor and  
Members of the City Council:

We have audited the financial statements of the City of Red Oak, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 13, 2002. Our report expressed an unqualified opinion on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Red Oak's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Red Oak's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Red Oak's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered material weaknesses. However, of the reportable conditions described above, we believe items II-A-02 and II-E-02 are material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Red Oak and other parties to whom the City of Red Oak may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Red Oak during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 13, 2002



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

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Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control over Compliance

To the Honorable Mayor and  
Members of the City Council:

Compliance

We have audited the compliance of the City of Red Oak, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2002. The City of Red Oak's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Red Oak's management. Our responsibility is to express an opinion on the City of Red Oak's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Red Oak's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Red Oak's compliance with those requirements.

In our opinion, the City of Red Oak complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Financial Reporting

The management of the City of Red Oak is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Red Oak's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of Red Oak's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in Part III of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item III-A-02 is a material weakness.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Red Oak and other parties to whom the City of Red Oak may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 13, 2002

City of Red Oak  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2002

**Part I: Summary of the Independent Auditor's Results:**

- (a) An unqualified opinion was issued on the financial statements which were prepared in conformity with an other comprehensive basis of accounting.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A reportable condition in internal control over the major program was disclosed by the audit of the financial statements, including a material weakness.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed an audit finding which is required to be reported in accordance with Office of Management and Budget circular A-133, Section .510(a).
- (g) The major program was CFDA Number 20.205 – Highway Planning and Construction.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Red Oak did not qualify as a low-risk auditee.

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

II-A-02 Segregation of Duties - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from performing duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. One of three individuals has control over one or more of the following areas:

- (1) Receipts - collecting, depositing and recording.
- (2) Utility receipts - billing, collecting, depositing, recording and reconciling.
- (3) Disbursements - purchasing, preparing and recording.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the City should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - Operating procedures are being implemented that will help to segregate duties and provide improved internal control.

Conclusion - Response accepted.

II-B-02 Countersigning Warrants - In several instances, one of the individuals responsible for countersigning City warrants signed blank warrants.

Recommendation - Warrants should only be countersigned when the completed warrant and appropriate supporting documentation are available for review. The advance signing of warrants negates the control features of a countersignature.

Response - This will be stopped. It will help to have claims at both meetings. In an emergency if both Mayor and Mayor Pro-tem are unavailable, the City Administrator and Clerk can sign checks.

Conclusion - Response accepted.

II-C-02 Accounting Procedures Manual - We encourage the development of an office procedures and standardized accounting manual for the City. This manual should provide the following benefits:

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

- (1) Help achieve uniformity in accounting and in the application of policies and procedures.
- (2) Save supervisory time by recording decisions so that they will not have to be made each time the same or similar situation arises.
- (3) Aid in training additional or replacement personnel.

Recommendation - An office procedures and standardized accounting manual should be prepared.

Response - This will take some time but agree it would be beneficial and will strive towards development of such a manual.

Conclusion - Response accepted.

II-D-02 Information Systems - During our review of internal control, the existing control activities in the City's computer-based systems were evaluated in order to determine that activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The following weaknesses in the City's computer-based systems were noted:

- Passwords are not periodically changed. The City's software does not require the user to periodically change log-ins/passwords.
- Although log-ins/passwords uniquely identify users, on occasion, City employees will record transactions to the City's records under another employee's log-in/password.
- The City's back-up tapes are not stored off-site.

The City does not have written policies for:

- Password privacy and confidentiality.
- Logging off unattended computers.
- Ensuring that only software licensed to the City is installed on computers.
- Usage of the Internet.
- A disaster recovery plan.

Recommendation - The City should store back-up tapes off-site. The City should take steps to implement procedures to require periodic changes in passwords and to prevent employees from recording activity to the City's records under another employee's log-in/password. The City should develop

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

written policies addressing the above items in order to improve the City's control over computer-based systems.

Response - Passwords can be changed periodically. A second back up can be stored off site. Posting under another's name will continue but whomever posts must initial the water bill or have a document to initial for the receipt management and who ever initials must be the one who posts. The written policies will be considered. The League of Cities will be contacted for a sample of a disaster recovery plan.

Conclusion - Response accepted.

II-E-02 Separately Maintained Records - The following internal control weaknesses were noted at the Library:

- (1) Receipts were not issued for all collections and a cash log of all collections was not maintained.
- (2) Collections were not deposited intact and timely.
- (3) A restrictive endorsement was not always placed on checks when received.
- (4) The cash on hand was not properly safeguarded.
- (5) There was a significant amount of cash on hand on November 25, 2002, as follows:

Description	Location	Amount
Book Sale money	Blue Tupperware container (front desk)	\$ 147.13
Copy money	Change tray (front desk)	56.32
Book Fine money	Change tray (front desk)	35.75
Children's	Change box (upstairs)	36.95
Friends	Envelope in green money bag (back room)	100.00
Trustee Account	Envelope in green money bag (back room)	0.41
AGLL	Envelope in green money bag (back room)	10.00
Overflow (copy/fine)	Change box (back room)	75.00
Postage	Blue money bag (back room)	5.85
Inter Library Loan	Navy coin purse (front desk)	<u>73.63</u>
	Total cash on hand at the Library	<u>\$ 541.04</u>

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Recommendation - The Library should implement procedures for collections of cash including a cash log to document all collections at the Library. The log should then be reconciled to cash on hand on a daily basis. The amount of cash on hand should be limited to the amount necessary for daily Library transactions. All Library collections should be deposited intact. Collections should be deposited on a timely basis and a restrictive endorsement (for deposit only) should be placed on checks as they are received.

Response - The recommendations will be presented to the Library Board. City Hall will watch for timely deposits and if not received, the Library will be contacted. City Hall feels deposits must be at a minimum of weekly but would like it more often. City Hall has documentation for every transaction that may also be attached to our posting journals. City Hall might recommend a receipt management program as we have.

City Hall is also noticing that some purchases are made by cash and then City is billed for difference. The City has asked that purchases not be made by cash. If a cash donation is made the money needs to be turned into City Hall and then a check will be issued after Library Board approval and receipt.

Conclusion - Response accepted.

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

**Part III: Findings and Questioned Costs For Federal Awards:**

**INSTANCES OF NON-COMPLIANCE**

No matters were noted.

**REPORTABLE CONDITIONS:**

**CFDA Number 20.205: Highway Planning and Construction**  
**Pass-through Agency Number: BROS-6360(608)--8J-69**  
**Federal Award Year: 2001**  
**U.S. Department of Transportation**  
**Passed through the Iowa Department of Transportation**

III-A-02 Segregation of Duties over Federal Receipts – The City did not properly segregate collection, deposit and record-keeping for receipts, including those related to the federal program. See audit finding II-A-02.

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

**Part IV: Other Findings Related to Statutory Reporting:**

IV-A-02 Official Depositories - A resolution naming official depositories has been adopted by the Council. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2002. The City did not adopt a new depository resolution at the time that Firststar Bank became U.S. Bank.

Recommendation - A new depository resolution should be approved for the name change to ensure continued coverage.

Response - A new resolution was adopted by the Council on December 16, 2002.

Conclusion - Response accepted.

IV-B-02 Certified Budget - Disbursements during the year ended June 30, 2002, did not exceed the amounts budgeted.

IV-C-02 Questionable Disbursements - No disbursements that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-D-02 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

IV-E-02 Business Transactions - Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Karen Blue, Mayor, spouse employed by JFSCO Engineering	Engineering services through December 31, 2001	\$ 186,811
Karen Blue, Mayor, Executive Director Montgomery County Development Corp.	Economic development through December 31, 2001	17,500
Bev Kammerer, employee, spouse owns All Make Parts & Service, Inc.	Parts and labor	1,461
Alan Johnson, employee, spouse owns Red Oak Printing	Printing and supplies	1,135

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with the City employees do not appear to represent a conflict of interest since the total transactions with each individual was less than \$1,500 during the fiscal year. The transaction with the Mayor for engineering services does not appear to represent a conflict of interest since engineering services are professional services not

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

customarily awarded by competitive bid. The transaction with the Montgomery County Development Corp. for economic development may represent a conflict of interest since the Mayor was the Executive Director and the transaction exceeded \$1,500.

Recommendation - The City should consult legal counsel to determine the disposition of this matter.

Response - Karen Blue is no longer Mayor so that possible problem resolved itself.

Conclusion - Response acknowledged. The City should consult legal counsel to determine the disposition of this matter.

IV-F-02 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-G-02 Council Minutes - Except as noted, no transactions were found that we believe should have been approved in the Council minutes but were not.

Although disbursements were approved by the Council, not all were approved by the Council prior to disbursement.

Recommendation - All disbursements should be approved by the Council prior to disbursement with the exception of those specifically allowed by a City policy.

Response - The City will make every effort to see that all disbursements are approved by the Council prior to disbursement with the exception of those specifically allowed by policy.

Conclusion - Response accepted.

IV-H-02 Deposits and Investments - Except as noted, no instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted. The current investment policy on file adopted by the Council does not contain the correct references to the Code of Iowa.

Interest on investments made from the Debt Service Fund were not recorded in this fund. In accordance with Chapter 12C.9 of the Code of Iowa, interest earned on bond proceeds and funds being accumulated for the payment of principal and interest should be used to pay the principal and interest as it comes due or be credited to the project fund for which the indebtedness was issued.

Recommendation - An updated investment policy should be adopted by the Council with references to Chapters 12B and 12C of the Code of Iowa. The City should record interest earned on investments from the Debt Service Fund in the Debt Service Fund as required by Chapter 12C.9 of the Code of Iowa.

Response - The resolution with the investment policy was adopted December 16, 2002.

City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Conclusion - Response acknowledged. The City should also record interest earned on investments from the Debt Service Fund in the Debt Service Fund as required by Chapter 12C.9 of the Code of Iowa.

IV-I-02 Water Revenue Capital Loan Notes - The City has complied with the covenants contained in the resolution authorizing and providing for the issuance dated November 1, 1996.

IV-J-02 Annual Financial Report - The City did not complete or file the Annual Financial Report by December 1 for the fiscal year ended June 30, 2002 with the Auditor of State as required by Chapter 384.22 of the Code of Iowa.

Recommendation - The City should complete and file the Annual Financial Report as required by Chapter 384.22 of the Code of Iowa.

Response - In process of completion. In the past, auditors have completed this for us so it has been a course of learning. We had a few questions so we needed to wait for the auditors to be here. Will be filed as soon as possible.

Conclusion - Response accepted.

IV-K-02 Electronic Warrant Retention - Chapter 554D.114 of the Code of Iowa allows the City to retain cancelled warrants in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled warrant. The City retains cancelled warrants through electronic image, but does not obtain an image of the back of each warrant as required.

Recommendation - The City should obtain and retain an image of both the front and back of each cancelled warrant as required.

Response - The bank is being contacted and we are requesting copies of both sides of cancelled checks.

Conclusion - Response accepted.

IV-L-02 Other Information Required by Revenue Note Resolution

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Statistical Information Description	Amount
Number of water customers	2,835
Water rate schedule:	
Basic charge	\$4.50
0-4,000 cubic feet inclusive	1.65 per 100 cubic feet
Over 4,000 cubic feet	1.22 per 100 cubic feet
Bulk sales	.25 per 75 gallons

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City of Red Oak

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Insurance - The following insurance policies were in force at June 30, 2002:

Insurer	Description	Amount	Expiration Date
Iowa Communities Assurance Pool	Comprehensive general liability: Bodily injury and personal injury Property damage and PSN injury	\$ 2,000,000	Sep 1, 2002
Iowa Communities Assurance Pool	Blanket property on buildings Blanket personal property	8,133,383 2,999,451	Sep 1, 2002 Sep 1, 2002
Iowa Communities Assurance Pool	Airport property	695,503	Sep 1, 2002
Iowa Communities Assurance Pool	Automobile coverage: Liability insurance: Each occurrence Uninsured motorists: Each accident Each member Municipal automobile: Physical damage	2,000,000 40,000 40,000 Amount of loss	Sep 1, 2002 Sep 1, 2002 Sep 1, 2002 Sep 1, 2002
Ace Property and Casualty Insurance Company	Products - completed operations Personal injury Malpractice aggregate limit Fire damage limit one fire Medical expense Hangerkeepers limit per occurrence Hangerkeepers limit one aircraft	1,000,000 1,000,000 1,000,000 50,000 1,000 1,000,000 200,000	May 12, 2003 May 12, 2003 May 12, 2003 May 12, 2003 May 12, 2003 May 12, 2003 May 12, 2003
Iowa Communities Assurance Pool	Boiler and machinery	13,039,395	Sep 1, 2002
Iowa Communities Assurance Pool	Inland marine: Contractors' equipment Computer equipment Fine arts	1,618,300 262,649 40,010	Sep 1, 2002 Sep 1, 2002 Sep 1, 2002
Iowa Communities Assurance Pool	Public officials liability: Each occurrence and aggregate	2,000,000	Sep 1, 2002

City of Red Oak  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2002

Insurer	Description	Amount	Expiration Date
Merchants Bonding Company Mutual	Public employees' blanket bond:		
	Faithful performance blanket bond:		
	Position bond	10,000	Sep 1, 2002
	Treasurer	100,000	Sep 1, 2002
Iowa Municipalities Workers' Compensation Association	Compensation limit Iowa Statute Part B	1,000,000	Jul 1, 2002
Iowa Communities Assurance Pool	Professional liability:		
	Law enforcement officer:		
	Each occurrence	2,000,000	Sep 1, 2002

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City of Red Oak

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager  
Nancy F. Curtis, CPA, Senior Auditor II  
Kimberly M. Knight, Staff Auditor  
Erin M. Scharingson, Staff Auditor

Andrew E. Nielsen, CPA  
Deputy Auditor of State